

AGENDA
FREMONT REDEVELOPMENT AGENCY & CITY COUNCIL
JOINT MEETING
FEBRUARY 16, 2010
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)

2.1 Approval of Minutes – None.

3. PUBLIC COMMUNICATIONS

3.1 Oral and Written Communications

4. PUBLIC HEARINGS

4.1

5. OTHER BUSINESS

5.1 Report Out from Closed Session of Any Final Action

5.2 JOINT PUBLIC HEARING TO RECEIVE COMMENTS ON (1) THE PROPOSED CONSOLIDATED AMENDED REDEVELOPMENT PLAN FOR THE FREMONT MERGED REDEVELOPMENT PROJECT AREA; (2) THE PROPOSED AMENDED FIVE-YEAR IMPLEMENTATION PLAN; AND (3) THE FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT

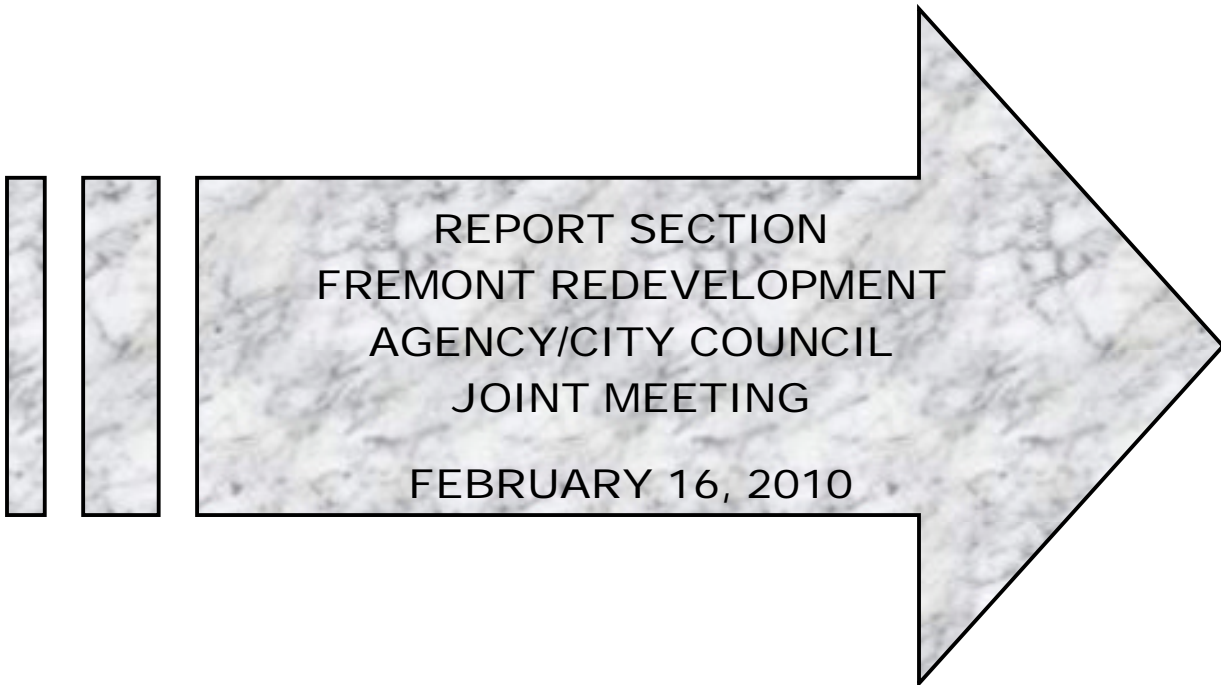
Joint Public Hearing on (1) the Proposed Consolidated Amended Redevelopment Plan for the Fremont Merged Redevelopment Project Area; (2) the Proposed Amended Five-Year Implementation Plan; and (3) the Final Subsequent Environmental Impact Report

Contact Person:

Name:	Irene de Jong	Elisa Tierney
Title:	Redevelopment Business Manager	Redevelopment Director
Dept.:	City Manager's Office	City Manager's Office
Phone:	510-494-4510	510-494-4501
E-Mail:	idejong@fremont.gov	etierney@fremont.gov

RECOMMENDATION: Hold joint public hearing to hear comments from the public on the proposed Amended Redevelopment Plan for the Fremont Merged Redevelopment Project Area, the proposed Amended Implementation Plan, and the EIR for the Amended Redevelopment Plan.

6. ADJOURNMENT



5.1 Report Out from Closed Session of Any Final Action

5.2 JOINT PUBLIC HEARING TO RECEIVE COMMENTS ON (1) THE PROPOSED CONSOLIDATED AMENDED REDEVELOPMENT PLAN FOR THE FREMONT MERGED REDEVELOPMENT PROJECT AREA; (2) THE PROPOSED AMENDED FIVE-YEAR IMPLEMENTATION PLAN; AND (3) THE FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT

Joint Public Hearing on (1) the Proposed Consolidated Amended Redevelopment Plan for the Fremont Merged Redevelopment Project Area; (2) the Proposed Amended Five-Year Implementation Plan; and (3) the Final Subsequent Environmental Impact Report

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Note: This report is submitted to both the City Council and the Redevelopment Agency for the joint public hearing.

Executive Summary: In order to improve public facilities, revitalize the business environment, and provide quality housing opportunities to local residents, the Redevelopment Agency has been implementing the redevelopment program for the areas comprising the Fremont Merged Project Area since 1977 for the Irvington and Niles areas, since 1983 for the Industrial area, and since 1997 for the Centerville area. These redevelopment areas were combined in 1998 to form the Merged Project Area.

The proposed Amended Redevelopment Plan (as further described below) is the result of over two years of discussion and consultation with various community organizations and committees and other local governmental agencies. If adopted, the proposed Amended Redevelopment Plan would achieve the following:

- Amend, restate, and consolidate the current constituent redevelopment plans for the Irvington, Niles, Centerville and Industrial portions of the Merged Project Area into the form of a single Amended Redevelopment Plan officially entitled: "Consolidated Amended and Restated Redevelopment Plan for the Fremont Merged Redevelopment Project Area (including the Irvington, Niles, Centerville, and Industrial Areas)." This Amended Redevelopment Plan would incorporate the applicable provisions from each of the current constituent redevelopment plans;
- Increase the limit on the amount of tax increment revenue from the Industrial Area portion of the Merged Project Area that may be claimed by the Agency from the current limit of \$400 million to a revised limit of \$1.5 billion;
- Increase the limit on the principal amount of bonded indebtedness secured by tax increment revenue that may be outstanding at any time from the current combined Merged Project Area limit of \$200 million to a revised combined limit of \$550 million;
- Update the lists of projects, programs and activities that may be undertaken by the Agency in the Merged Project Area; and

- Update various text provisions to conform to the current requirements of the California Community Redevelopment Law (the “CRL”).

The proposed Amended Redevelopment Plan would provide the Agency with the financial and legal resources needed to complete the program of redevelopment for the Merged Project Area, including: transit and railway improvements; economic development and job creation efforts; building rehabilitation, façade improvement, and historic preservation activities; street, park and other public infrastructure facilities, and landscaping improvements; hazardous materials clean-up; and provision of new and rehabilitated affordable housing.

The purposes of the joint public hearing on this evening’s agenda are to consider: (1) adoption of the proposed Amended Redevelopment Plan; (2) adoption of the proposed amended five-year Implementation Plan for the Merged Project Area (Amended Implementation Plan) that has been prepared under the CRL to address the expansion of the Agency’s implementation activities that would be enabled during the balance of the Agency’s current five-year implementation planning period (ending June 2013) if the Amended Redevelopment Plan is adopted; (3) certification of the Subsequent Environmental Impact Report for the proposed Amended Redevelopment Plan (further described below, and generally referred to in this report as the EIR); and (4) all evidence and testimony for and against the adoption and certification of the foregoing documents.

No action is being recommended at tonight’s meeting, other than to conduct the public hearing and to raise any issues and questions in order that they be addressed before the introduction of the ordinance adopting the Amended Redevelopment Plan and related actions, scheduled for March 2010.

BACKGROUND: On December 22, 2009, the City Council and the Redevelopment Agency received the final proposed Amended Redevelopment Plan, the Report to Council on the Amended Redevelopment Plan (including the proposed Amended Implementation Plan), and the Final Subsequent Environmental Impact Report (“SEIR”) on the proposed Amended Redevelopment Plan. These documents have also been transmitted to the Planning Commission, the Redevelopment Advisory Committee (RAC), and various commenting agencies as appropriate. The Council and Agency also scheduled a joint public hearing for this evening to receive comments from the public on the proposed Amended Redevelopment Plan and accompanying documents, and to consider adoption of the proposed Amended Plan.

Tonight’s joint public hearing with the Council and Agency was noticed once a week for five weeks in The Tri-City Voice, in accordance with the CRL. Notice was also placed in four locations within each constituent subarea comprising the Merged Project Area. An informational document with the notice of the public hearing was mailed to approximately 7,000 property owners, business owners and residential tenants (copy of notice is included in the Enclosure). To support the record of proceedings for the proposed Amended Redevelopment Plan, staff and consultants will make a brief presentation summarizing the process and documents which have been prepared as part of the Amended Redevelopment Plan process. No action is being recommended at tonight’s meeting other than to conduct the public hearing and to raise any issues and questions in order that they be addressed before the introduction of the ordinance adopting the Plan Amendment, which is scheduled for March 2010.

DISCUSSION/ANALYSIS:

Reasons for Amended Redevelopment Plan: Since 1998, the Agency has participated in numerous redevelopment efforts in the Niles, Irvington, and Centerville areas (referred to collectively as historic areas) and has completed or appropriated all necessary funds for the four freeway interchanges in the Industrial Area. However, the costs of the interchanges and the Washington Grade Separation were much higher than projected. As a result of the Agency's obligation to fund these significant infrastructure improvements, the anticipated sharing of revenues from the Industrial Area to the historic areas has not occurred to nearly the extent anticipated at the time of the 1998 Plan Amendments and Merger. Therefore, many of the projects intended for the historic areas have not been sufficiently funded and have been placed on hold or are progressing more slowly than anticipated.

Additionally, the total tax increment revenues available to the Agency for its Merged Redevelopment Program by the time the Industrial Area will reach its \$400 million tax increment cap in Fiscal Year 2011/12 is projected to be approximately \$43.7 million (in present value dollars). This amount falls far short of the estimated \$465.7 million needed by the Agency to accomplish the proposed Merged Redevelopment program.

With the proposed Plan Amendment, the Agency is projected to receive a total of approximately \$430.3 million (in present value dollars) in tax increment revenue, which represents tax increment available from the entire Merged Project Area (including Industrial, Centerville, Irvington, and Niles Subareas). This future revenue will fund a number of projects and programs targeted at eliminating the documented remaining blight in the Merged Project Area. More specifically, approximately \$243 million will be available for non-housing redevelopment projects, such as the Irvington BART Station, a multi-modal transit facility in the Industrial Area, Monument Center Redevelopment in Irvington, redevelopment of Phase 2 of the Union Pacific site in Niles, and re-use of the Dusterberry/Peralta site in the Centerville area. Approximately \$148 million will fund affordable housing expenditures, which will focus on furthering the City's Five Point Program targeting the City's overall goals to produce, enhance and preserve affordable housing stock.

Report to Council: In December 2009, staff transmitted to City Council a Final Report to Council for the proposed Plan Amendment, as required by the CRL. The Report to Council includes analysis of existing conditions, overview of the Merged Area Redevelopment Program, proposed methods of financing, an updated five-year Implementation Plan, and a summary of consultations with the community and the taxing entities. The Report provides comprehensive information, analyses and evidence for City Council consideration when determining whether or not to adopt the Amended Plan.

Opportunities for Community Input: Throughout the Amended Redevelopment Plan preparation process, the Agency has met with community groups to advise them on the progress of the Amended Redevelopment Plan. Agency staff has attended a number of meetings with the Niles Property Owners' Association, Centerville Business and Community Association, Glenmoor Community group, Irvington Business Association, Fremont Chamber of Commerce – Governmental Affairs Committee, the City's Economic Development Advisory Commission, Congregations Organizing for Renewal (COR), various Rotary and Lions clubs, and the League of Women Voters. During these meetings, staff provided general project status updates, highlights of proposed projects and funding for the post-\$400 million cap Merged Redevelopment program, as well as general updates regarding the consultations with various taxing entities.

The Agency has also been continually updating the City's website with the progress reports made on the Amended Plan. Additionally, an article on the Amended Plan was published in the City News newsletter in the fall of 2008.

Community Workshop: On February 1, 2010, a community meeting hosted by the Redevelopment Advisory Committee (RAC) was held at the City Council Chambers to provide another opportunity for interested persons to hear a presentation on the proposed Amended Redevelopment Plan. The notice of the community meeting was mailed along with formal notice of tonight's public hearing to approximately 7,000 residential and commercial property owners, business owners, residential tenants, and community organizations located within the Fremont Merged Redevelopment Project Area. The majority of the questions raised at the workshop dealt with the impacts of the proposed Plan Amendment on the City's General Fund and the funding for local schools. Questions and issues raised at the workshop include the following:

- Potential burden of RDA-constructed projects and facilities on the City's General Fund;
- Relationship between the NUMMI site re-use and the proposed Plan Amendment;
- Potential impact of the Plan Amendment on local schools;
- Potential impact of the Plan Amendment on the City's General Fund; and
- Status of the Agency's eminent domain authority.

These issues will be addressed in the staff presentation.

Planning Commission Public Hearing: On December 10, 2009, the Planning Commission held a public hearing to consider its recommendation on the proposed Amended Redevelopment Plan and to make certain findings. Specifically, the Planning Commission found and has reported to the City Council and Agency Board that the proposed Amended Redevelopment Plan is consistent with the City's General Plan, and that the requirements of the California Environmental Quality Act (CEQA) were followed in the Amended Redevelopment Plan process. Finally, the Planning Commission recommended the adoption of the proposed Amended Redevelopment Plan. A copy of the Planning Commission resolution is included in the Enclosure.

RAC Recommendation: At the February 1, 2010 community workshop, members of the RAC commented on a number of successful projects that were funded under the existing \$400 million cap, such as the Maple Square affordable housing development, Niles Town Plaza, interchange improvements along I-880 and a number of streetscape and sidewalk enhancements in the neighborhoods. Each of the RAC members in attendance also noted that the community and especially its historic districts need more revitalization efforts and that redevelopment provides an important financing tool for achieving this goal. Therefore, the six RAC members in attendance voted unanimously to support adoption of the Amended Plan.

Fiscal Agreements with Taxing Entities: In connection with the preparation of the Amended Redevelopment Plan in furtherance of the requirements of the CRL, the Agency has consulted with each of the affected taxing entities that receive a portion of property taxes from the Merged Project Area. The Agency and the affected taxing entities have determined that certain updates to the prior pass-through agreements would be appropriate to facilitate implementation of the Amended Redevelopment Plan and to continue to mitigate the financial burden of the Fremont redevelopment program on the affected

taxing entities as authorized by the CRL. These updates to the prior agreements have been incorporated into a series of revised agreements. All of the revised agreements were approved by the Agency Board on December 15, 2009. All fourteen affected taxing entities have also approved the revised agreements, in which they each have publically set forth their support for the Amended Redevelopment Plan.

Plan Amendment and Agency's Eminent Domain Authority: The fundamental purpose of the proposed Amended Redevelopment Plan is to provide the Agency with the necessary financial and legal resources and tools to complete the needed program of redevelopment in the Merged Project Area in order to:

- Eliminate the remaining identified blight in various portions of the Merged Project Area;
- Facilitate the economic development of the Merged Project Area including the provision of additional job opportunities for residents of the Merged Project Area; and
- Provide additional quality affordable housing for residents of the Merged Project Area and the entire Fremont community.

The proposed Amended Redevelopment Plan does not in any way change the Agency's authority to acquire property in the Merged Project Area. The Agency's authority to acquire property in the Centerville portion of the Merged Project Area through the use of eminent domain power has expired. The Agency's authority to commence a legal action to acquire property in the Irvington, Niles and Industrial Area portions of the Merged Project Area through the use of eminent domain power is scheduled to expire under the existing redevelopment plans and the proposed Amended Redevelopment Plan in July 7, 2010.

Plan Amendment and General Fund Fiscal Impacts: Redevelopment tax increment financing under the Amended Plan has countervailing effects on the City/Agency financing system. On the one hand, continuation of the tax increment funding program from the Industrial Area to support redevelopment programs in the historic districts of the Merged Project Area involves a continued investment of City General Fund revenues in redevelopment as a result of foregone property tax revenue to the General Fund. On the other hand, this continued investment leverages other tax increment revenue to allow the City and Agency to perform important economic development and affordable housing activities for the Fremont community that raise the overall quality of life, economic activity and revenues.

To consider this trade-off, Seifel Consulting, Inc., the redevelopment consulting firm that prepared the Report to Council, was asked to prepare an analysis that specifically shows the estimated impact on the City's General Fund from the Amended Plan itself—namely from the increase in the cap on tax increment revenue from the Industrial area portion of the Merged Project Area made possible by adoption of the Amended Plan—and to compare that General Fund impact to the overall revenue that would become available to the City and Agency for redevelopment from the Industrial Area cap increase.

The Amended Plan does not affect the Fiscal caps of time limits on tax increment receipt for the Irvington, Niles and Centerville portions of the Merged Project Area, so the City General Fund impact of receipt of tax increment revenue from those portions of the Merged Project Area is not affected by the proposed Amended Plan. As a result, the total dollar amounts cited earlier in this report that would be available to complete the Merged Project Area redevelopment program (which include future tax increment revenues already pledged from the Irvington, Niles and Centerville areas as a result of

previous plan adoptions and amendments) are slightly greater than dollar amounts cited below (which isolate only the impacts of the Industrial Area tax increment cap increase that would be made possible by adoption of the Amended Plan).

The City General Fund impact table (Impact Table) prepared by Seifel Consulting, which is based on the same tax increment projections contained in the Report to Council, is enclosed with this report. The information in the Impact Table is summarized below. (Dollar amounts used in the following paragraph are stated in constant 2010 dollars to reflect current buying power, and are drawn from columns 8-14 of the Impact Table.)

By increasing the Industrial Area cap on receipt of tax increment revenue, the Amended Plan would make available approximately \$297 million of additional tax increment revenue from the Industrial area that can be directly used to pay for redevelopment programs benefitting the Merged Project Area that would not otherwise be available to the Agency (see column 11 of the Impact Table). Of this increased amount, approximately \$105 million would become available for additional affordable housing programs (see column 8 of the Impact Table), and approximately \$192 million would be available for other redevelopment activities, including neighborhood economic revitalization of the Irvington, Niles, and Centerville areas, completion of access and related improvements for the Industrial area, major new public transportation and in-fill development activities throughout the Merged Project Area, completion of a wide range of other needed public improvements and facilities, and hazardous materials remediation (see columns 9 and 10 of the Impact Table).

This amount of direct new redevelopment investment in the local economy (from the increased Industrial area tax increment cap) can be achieved with an approximately \$69 million investment of City General Fund revenue over the life of the Amended Plan (see column 14 of the Impact Table), thereby enabling an approximately 4.3 to 1 positive leveraging ratio for the City/Agency combined fiscal system.

Amended Implementation Plan: Adoption of the Amended Redevelopment Plan would result in additional financial resources available to the Agency beginning in Fiscal Year 2011/12. Specifically, the Agency would be able to collect an additional estimated \$48.4 million of tax increment revenue from the Industrial Area through the end of the current five-year Implementation Period (which ends in June 2013). The impact from the Plan Amendment is projected to be even more significant after Fiscal Year 2012/13 as it would allow the Agency to continue implementing the proposed expanded projects and programs. More specifically, the additional revenue from the Amended Plan that would become available during the latter part of the current Implementation Period would allow the Agency to initiate such redevelopment projects as the redevelopment of the Union Pacific site (Phase 2) in Niles and the Monument Center site in Irvington, facilitate re-use of the former Fire Station 6 in Centerville, as well as invest additional resources in neighborhood sidewalk and landscaping improvements, historic building assessment program and commercial rehabilitation and façade improvements efforts across all historic districts. These additional activities are highlighted in the proposed Amended Implementation Plan that is before the City Council and Agency Board for public comment this evening.

ENVIRONMENTAL REVIEW: An EIR (SCH#2008012048) has been prepared for the proposed project, pursuant to the California Environmental Quality Act (CEQA). As the proposed project is an amendment (in the form of the Amended Plan) to the current redevelopment plans for the subareas

comprising the Merged Project Area, a Subsequent EIR was prepared that considered tiered analysis of previous Redevelopment Agency actions with contemplated effects of development from the baseline condition of when the project was initiated through the year 2030.

The general purpose of an EIR is to act as an informational document that:

- Describes the proposed project in substantial detail, outlines the project objectives, establishes the environmental setting, and identifies the potentially significant environmental effects of the project;
- Identifies feasible ways to minimize the significance of potential environmental effects;
- Discusses reasonable alternatives to the project that minimize, reduce, or avoid identified environmental effects.

The EIR is not intended to recommend either approval or denial of a project. Instead, the EIR process is intended to inform decision makers and the public about the potential environmental effects of a project to facilitate informed decision making. The EIR process included preparation of a Draft EIR that was available for public comment for a minimum of 45 days. The Draft EIR for the proposed project was circulated for public review from August 19, 2009 through October 5, 2009. Preparation of the Final EIR occurred at the conclusion of the Draft EIR comment period and includes responses to comments made on the Draft EIR and revisions to the Draft EIR. The two documents comprising the complete EIR include the Draft EIR and Response to Comments/Final EIR. The Final EIR is dated November 2009 and is considered in combination with the Draft EIR.

Prior to acting on a proposed project, the City of Fremont acts in the role of the Lead Agency and must certify the EIR as adequate. To determine adequacy of an EIR, the Lead Agency must determine the sufficiency of the information in the document, not the correctness of its conclusions. Legal adequacy of an EIR is generally characterized by the following:

- All required contents are included;
- An objective, good-faith effort at full disclosure of potential environmental effects is provided;
- A reasonable treatment of issues is provided;
- Disagreement among experts is acceptable;
- Perfection is not required;
- Exhaustive treatment of issues is not required; and
- Minor technical defects are not necessarily fatal.

Proposed Project Relationship to the Draft EIR: The Amended Plan is the same as was described with the Draft EIR. The value of the tax increment increase, the range of programs and activities, and the direct and indirect development potential are the same as was described in the Draft EIR. The EIR considers the direct and indirect project and cumulative effects of the Amended Plan through the year 2030.

Significant Effects and Mitigation: The EIR identified potential impacts in 12 topical areas, including Aesthetics, Population and Housing; Air Quality; Climate Change; Biological Resources; Cultural and Historic Resources; Hazards and Hazardous Materials; Drainage and Water Quality; Land Use; Noise; Public Services and Utilities; and Transportation. As part of the analysis, mitigation measures were

identified and included in the draft mitigation monitoring and reporting plan to reduce potential impacts to a less than significant level. Commonly, development controls consistent with City policies and practices for project review are included in the assessment of potential impacts of the Amended Plan. However, not all potentially significant environmental effects could be reduced to a level of less than significant. The EIR identified 13 potentially significant and unavoidable impacts related to Transportation, Cultural and Historic Resources, Water Supply, Noise, Regional Air Quality, and Green House Gas Emissions/Climate Change.

Significant and Unavoidable Impacts:

- *Impact 7-1, 7-2, 7-3 Transportation– Project and Cumulative Impacts to roadway intersections and roadway segments:* With consideration of project buildout only, the EIR identifies in Table 7-18 an impact to Mission Boulevard/Niles Canyon Road and at the intersection of Grimmer Boulevard/Blacow Road. These impacts are caused by the substantial amount of potential commercial growth evaluated for Niles and the new growth and change in circulation in Irvington as a result of the BART station. Mitigation for both of these impacts requires additional right-of-way and widening of the roadways. This mitigation was not considered feasible as no right-of-way is currently available for widening the roadways. The EIR also identifies in the revised table of the Final EIR Table 7-21 that there are 11 intersections with potentially significant impacts with project buildout and the addition of cumulative traffic from City and regional growth. Four of the eleven intersection have feasible mitigation measures in the City’s Traffic Impact Fee program. The remaining impacts require roadway widening or require participation from outside agencies and are not considered to be feasible due to the uncertainty of acquiring additional right-of-way, cost, and coordination with outside agencies. Overall, the Amended Plan includes a number of transportation improvements, including the funding of the Irvington BART station, and no additional fair share fee collection is required of the project beyond its planned infrastructure improvement activities. Normal Traffic Impact Fees will be collected as development occurs.
- *Impact 8-1 Water Supply –Cumulative Water Supply for the long term build out of the Plan:* The EIR identifies that due to uncertainty in regional water planning, there is the potential for a significant impact to long term water supply demands from development facilitated by the Plan. The EIR identifies mitigation is within the control of ACWD through the update of the Urban Water Management Plan and a number of potential long term sources of additional water supply. However, due to the uncertainty of an outside agency implementing the mitigation of updating the Urban Water Management Plan and securing resources, there is a potentially significant and unavoidable impact of approving the Amended Plan. As development occurs throughout the ACWD service area, individual project verification of supplies would be common in the long term to ensure adequate supplies are available to ACWD customers consistent with ACWD service levels.
- *Impact 10-1, 10-2, 10-4 – Cultural and Historic Resources- Potential destruction and degradation of resources:* Niles, Irvington, and Centerville have a rich tradition as original communities in Fremont and have a substantial number of individual historic resources. While the EIR does not identify specific resources that will be impacted by implementing the Amended Plan, there is potential for some historic resources to be demolished or degraded by individual activities of the Amended Plan. Subsequent projects that may cause the destruction of a historical resource are subject to review by the City through the Historical Resources Ordinance. In addition, archaeological resources could be

discovered during redevelopment activities and be damaged prior to their evaluation. While mitigation is in place to prevent destruction, there is uncertainty in its application and there are potential significant impacts.

- *Impact 12-6, 12-7-Noise- Increase in roadway noise in Niles and Irvington:* The new development facilitated by the Amended Plan will contribute to increases in traffic levels on major roadways within Niles and Irvington. The higher levels of traffic have the potential of increasing the ambient noise levels by 3 decibels or more and exceed the General Plan goal for day night average (ldn) noise levels of 60 to 65 decibels. This increase will occur very gradually over time and a three decibel level of change is at the lower end of human perceptibility. Mitigation for roadway noise is commonly implemented with soundwalls or other barriers. New development can incorporate mitigation measures to ensure conformance with interior noise standards and possibly the exterior noise standards of 60 and 65 ldn. However, mitigation for existing conditions is uncertain due to the existing development patterns and the inability to provide soundwalls that would effectively reduce noise and meet the City's goal for reducing soundwall appearances throughout the City. With uncertainty in long term mitigation strategies there is a potential for a significant impact related to noise levels.
- *Impact 13-2, 13-3-Air Quality-Individual and Cumulative effects on regional air quality for ozone precursors:* The EIR identified that buildout of the plan will cause an increase in emission of ozone precursors [reactive organic gases (ROG), nitrogen oxide (NO_x), and particulate matter (PM₁₀)] and contribute to the degradation of long term air quality. No mitigation can fully reduce the emissions and the impact is significant and unavoidable.
- *Impact 14-1, 14-3- Global Climate Change: CO₂ emissions from new development may have a considerable contribution to Global Climate Change:* While no one project can have a considerable effect on global climate change, the cumulative effect of all development considered together could have a considerable level of new emissions contributing to global climate change. There is no bright line regulatory threshold for evaluation of greenhouse gas emissions and it is considered individually for each type of project through CEQA. Typically, general consistency with California's AB32 directive for reducing emissions statewide by 30% by 2020 is the basic consideration of a threshold for a project. The EIR analysis (Table 14.3) considered direct and indirect (power consumption, vehicle miles traveled) CO₂ equivalent emissions and estimated that the in the worst case scenario of using current emissions factors there would be a net increase from annual operations of 39,398 metric tons at full buildout. When accounting for potential project benefits of supporting transit infrastructure and reducing vehicles miles traveled the projected increase is less at 28,748 metric tons. As primarily infill development, the per capita emission rate is substantially better than the citywide average at roughly 4 metric tons per person versus citywide 2005 levels of 7.5 metric tons per person. Due to the uncertainty of the regulatory review of CO₂ emissions and the ability of the Amended Plan and the City to ensure that mitigation measures focused on green building, efficiency, and transportation services will for certain reduce project emissions, the potential impact of contributing to global climate change is significant in the EIR.

Statement of Overriding Considerations: Because the project has significant and unavoidable impacts associated with its implementation, CEQA requires the Lead Agency to balance the benefits of a project against its significant environmental effects in conjunction with the project approval. CEQA defines

benefits as economic, legal, social, technological, or other. If a project's benefits outweigh its unavoidable adverse environmental effects, the adverse effects may be considered "acceptable." When a public agency approves a project with significant effects that are not avoided or substantially lessened with mitigation or changes to the project, the agency must state in writing the specific reasons to support its action. The written statement is formally known in CEQA as a Statement of Overriding Considerations. Both staff and the Planning Commission recommend the City Council adopt a Statement of Overriding Consideration based on both social and economic benefits to the City and the Region as a whole by providing for substantial amounts of affordable housing, removing blight, supporting public transit infrastructure and roadway improvements, and increasing the economic activity and tax base of the City.

Alternatives Analysis: CEQA requires consideration of alternatives to a proposed project to provide a comparison of the effects of the preferred project versus other potentially feasible options that obtain most of the project's objectives and potentially lessen or avoid a significant impact. At the conclusion of the alternatives analysis the EIR identifies an Environmentally Superior Alternative to the proposed project. The City Council will consider the range of alternatives as it reviews the project and will then make findings about the feasibility of the alternatives prior to approving the project.

The four alternatives analyzed in Chapter 18 of the Draft EIR include the following:

- *Alternative #1 No Project/No Development:* The *No Project/No Development Alternative* is a mandatory alternative that considers the conditions of the area if the project were not approved. Existing conditions would remain as is with no redevelopment activities. This alternative would have no environmental impacts or benefits of the Amended Plan. This alternative does not meet project objectives of removing blight and further regional smart growth goals of the Amended Plan.
- *Alternative #2 No Project/Completion of Current Redevelopment Plan:* This version of "no project" contemplates what would occur without the Amended Plan and only completion of activities that are already part of the Redevelopment Plan and within the current fiscal cap of \$400 million. New revenue would only be generated in Niles, Irvington, and Centerville. Infrastructure improvement activities, including the Irvington BART Station, would not have adequate funding under this alternative. With the limited amount of new development most existing blight conditions would be expected to remain; however there would also be less environmental impacts as less growth would occur. This alternative is unlikely to attain the project objectives of eliminating blight and providing for infill development furthering smart growth goals.
- *Alternative #3 Reduced Commercial and Industrial Development in Niles, Irvington, and Centerville:* This alternative contemplates a reduction of 50 -75% in expected commercial and industrial development in Niles, Irvington, and Centerville. Housing activities were held constant and not reduced. The Industrial area is presumed to reach 100% of its identified induced development as most improvements already exist in this area and they will support new development into the future without substantially more investment. Because of lower development, there would be less revenue collected than the preferred project and it is likely that growth would occur at a slower rate. This alternative caps the maximum development levels, in contrast to the next alternative that caps the amount of tax increment revenue. This alternative would either delay or only partially implement the complete objectives of the project; however, substantial traffic impacts

would be lessened through this alternative as the commercial traffic generation in the project area is the primary cause of the new traffic impacts.

- *Alternative #4 Reduced Tax Increment Revenue Increase:* This alternative contemplates reducing the cap increase by 50% with no restrictions on which activities or types of growth are part of the project. This alternative would slow the elimination of blight and would not have enough revenue to enact all the activities contemplated by the proposed Amended Plan. Due to the high cost of regional transit infrastructure (Irvington BART), this activity would likely be unfunded as it would require most of the additional revenue under this alternative. Because of less revenue and less growth, there would be fewer environmental impacts, but more blight is also likely to remain. This alternative would minimally meet goals of reducing blight, but would be unlikely to meet objectives of infill and smart growth goals.

Environmentally Superior Alternative: Alternative 3 with Reduced Commercial and Industrial Development would attain most of the project objectives and lessen the environmental effects compared to the proposed Amended Plan as the Environmentally Superior Alternative. The No Project alternatives would not meet any project objectives and do not qualify under CEQA as environmentally superior alternatives.

ENCLOSURES:

- [Copy of Notice sent to Project Area residents, business owners, and property owners](#)
- [Planning Commission resolution from its December 10, 2009 meeting](#)
- [Planning Commission staff report from its December 10, 2009 meeting](#)
- [Impact Table](#)
- [Written Communications](#)
- Informational “1” Redevelopment Plan Documents (previous distributed, available online) <http://www.fremont.gov/PlanAmendment>
- Informational “2” Draft Subsequent Environmental Impact Report (previous distributed, available online) and Final Subsequent Environmental Impact Report dated November 2009 and available online <http://www.fremont.gov/PlanAmendment>

RECOMMENDATION: Hold joint public hearing to hear comments from the public on the proposed Amended Redevelopment Plan for the Fremont Merged Redevelopment Project Area, the proposed Amended Implementation Plan, and the EIR for the Amended Redevelopment Plan.